

OROVILLE FACILITIES RELICENSING

DRAFT PRINCIPLES FOR A PROPOSED INTERIM SETTLEMENT AGREEMENT

1. DWR has chosen the Alternative Licensing Procedures to relicense its Oroville Facilities. The ALP depends upon a collaborative spirit among participants to gain consensus on resource management proposals that will be reflected in DWR's application and environmental documentation for a new license.
2. The participants in the Oroville Facilities Relicensing process intend to produce a comprehensive settlement agreement that will document their consensus and facilitate development of the terms and conditions that will form the new license for the Oroville Facilities that is scheduled to be issued by FERC on January 31, 2007.
3. DWR has stated its willingness to consider pre-2007 implementation of certain recreational projects impacting the local community that would otherwise be included in a settlement agreement for new license implementation.
4. Local community participants in the relicensing process have agreed that implementation of such projects prior to 2007 ("interim projects") will encourage their positive support of the collaborative process.
5. Local community participants in the relicensing process have agreed that DWR's implementation of any such interim project will be acknowledged and partially offset any further need for such projects that would otherwise be part of the settlement agreement discussions.
6. The Interim settlement agreement would be in effect through the date of a comprehensive settlement agreement negotiated by the relicensing participants. If such a settlement agreement is not in place by January 31, 2005, DWR will, using its sole discretion, determine how to proceed with any unfinished activities provided for in the interim settlement agreement.
7. DWR's implementation of any interim project activity is contingent upon receiving appropriate approvals from any jurisdictional agency.
8. DWR's implementation of any interim project activity is contingent upon execution of any required cost-sharing arrangements by the appropriate parties.
9. The participants agree that interim projects have been selected to avoid:
 - amendments to the existing Oroville Facilities license (P-2100),

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- inconsistencies with other elements of resource plans being developed for the Oroville Facilities relicensing; and
- significant unmitigated impacts to the surrounding environment.

To the extent that subsequent development of an interim project does, in fact, violate any of the above conditions, the participants shall withdraw the project as an "interim" project and include the project in the comprehensive settlement discussions.

Department of Water Resources
August 30, 2001